

2020 Sustainability Material Issues and Progress toward Objectives

	Core Subjects	Sustainability Material Issues (Related SDGs)	Basic Approach for Initiatives Aimed at the 2020 Objectives	2020 Objectives and KPI	Achievements in 2020										
E	The Environment 	1 Promoting Environmental Initiatives for a Sustainable Planet 6 7 9 12 13 14 15 17	Work together with consumers and local communities to actively promote environmental conservation activities, aiming for both a sustainable society and the development of our businesses.	<ul style="list-style-type: none"> Promotion of environmental business management <ol style="list-style-type: none"> Promote and achieve the Eco Vision 2020 environmental targets (Global) Establish the New Environmental Objectives 2030 to minimize environmental impacts over the entire life cycle of products, including at the stage of their use in customer households (Global) Promote the appropriate use and management of chemical substances (Global) Confirm and review the progress of environmental management through top environmental audits and the Sustainability Promotion Meeting*1 (Domestic) 	<ol style="list-style-type: none"> Continued activities aimed at achieving Eco Vision 2020 Established the LION Eco Challenge 2050 long-term environmental objectives (2019) Promoted the appropriate use and management of chemical substances; zero serious legal violations occurred (1) Implemented top environmental audits (Domestic): Audited each plant once in the three-year period. * Environmental audits scheduled for 2020 were postponed to 2021 due to the COVID-19 pandemic. (2) Continuously promoted environmental management through the Sustainability Promotion Meeting (Domestic) 										
S	Human Rights 	2 Respecting Human Rights 5 8 10 16 17	Build a Group structure that respects human rights.	<ul style="list-style-type: none"> Enhancement of initiatives for promoting respect for human rights based on the Group philosophy <ol style="list-style-type: none"> Formulate a Group-wide human rights policy (Global) Expansion of internal and external contacts for reporting and consultation <ol style="list-style-type: none"> 100% recognition of the AL Heart Hotline (Domestic) 	<ol style="list-style-type: none"> Established the LION Human Rights Policy for the Lion Group in 2019 and disclosed it on our website. Implemented initiatives related to ensuring respect for human rights. AL Heart Hotline recognition rate (Domestic): 99.5% Reference: 2018: 98.5%; 2019: 98.6% 										
						Labor Practices 	3 Promoting Diversity 5 8 10 4 Promoting Work-Life Balance 3 8 5 Developing Human Resources 5 8 10 6 Enhancing the Occupational Safety Management System 3 8 7 Reinforcement of Health and Productivity Management 3 8 17	Expand creative business activities through the application of diverse human resources. Create an uplifting feeling among employees through work style reforms. Create personal dynamism by developing human resources with diverse and abundant ideas about how to meet the expectations of global stakeholders. Enhance and thoroughly enforce the Occupational Health and Safety Management System across the entire Group. Build a Lion health and productivity management model appropriate for an advanced daily healthcare company.	<ul style="list-style-type: none"> Promotion of participation by women at the management level <ol style="list-style-type: none"> Develop female employees to drive the next generation of management (Global) Increase proportion of female employees at the management level to 20% (Domestic) Realization of "smart work"*2 to harmonize productive work and personal lives <ol style="list-style-type: none"> Implement employee awareness and behavior surveys (Domestic) 70% usage rate of annual paid leave (Domestic) Creation of human resource development systems to cultivate personnel who can learn and act independently Thorough enforcement of occupational safety and the safety of facilities Zero serious accidents and zero serious incidents (Global) Expansion of support programs to aid employees in forming good healthcare habits <ol style="list-style-type: none"> 100% rate of receiving health checkups (Domestic) 100% rate of receiving dental checkups (Domestic) 100% rate of receiving age-specific cancer screenings (Domestic) 	<ol style="list-style-type: none"> Implemented Human Resources Development Training for Next-Generation Management. Appointed female training graduates as directors at overseas Group companies (two individuals). Proportion of female employees at the management level (Domestic): 18.4% Implemented internal awareness survey (Domestic): Once per year Annual paid leave used (Domestic): 68.6% Reference: 2018: 60.3%; 2019: 73.7% Held the ReDesign FORUM to cultivate innovative personnel (Domestic) Expanded Lion Career Village (LCV) to support employees' autonomous development of their abilities (Domestic) Online educational content usage: 88% Group case discussions held: 46 Group case discussion participation (including online participation): 14% Zero serious accidents and zero serious incidents Held the Safety, Hygiene and Disaster Prevention Meeting as planned in January and July and continued to implement PDCA (Domestic) The chair and vice chair of the Safety, Hygiene and Disaster Prevention Meeting (the directors in charge) conducted top safety audits (Domestic): Once in the three-year period at each plant and operating site * Some audits planned for 2020 were postponed to 2021 due to the COVID-19 pandemic. Checked safety management status of overseas affiliates and provided guidance and advice accordingly (Overseas) Rate of receiving health checkups (Domestic): 100% Reference: 2018: 100%; 2019: 100% Rate of receiving dental checkups (Domestic): Not implemented in 2020 due to the COVID-19 pandemic Reference: 2018: 93.0%; 2019: 91.8% Rate of receiving age-specific cancer screenings (Domestic): Not implemented 2020 due to the COVID-19 pandemic Reference: 2018: 84%; 2019: Not implemented 					
	Fair Operating Practices 	8 Building Responsible Supply Chain Management 5 6 7 8 10 12 13 14 15 16 17	Promote highly effective management practices in the supply chain.	<ul style="list-style-type: none"> Build more advanced and sustainable supply chains <ol style="list-style-type: none"> Implement supplier sustainability self-checks related to procurement (Global) 100% implementation of supplier sustainability self-checks related to procurement (Domestic) 	<ol style="list-style-type: none"> Implemented supplier sustainability self-checks Implementation of self-checks (Domestic): 100% Reference: 2019: 98%; 2019: 99% 										
											Consumer Issues 	9 Pursuing Customer Trust and Satisfaction 3 10 12	Thoroughly enforce corporate activities that earn and maintain customer trust across the entire Group and further develop customer-oriented management.	<ul style="list-style-type: none"> Enhancement of reliability assurance systems covering the entire supply chain Improvement of customer satisfaction through enhancement of customer support quality Enhancement of security system through system construction and supervisory management enhancement 	<ul style="list-style-type: none"> Held the Asia QA Meeting every year to reinforce quality assurance at overseas Group companies Participated in a phone service contest aimed at reinforcing the customer support quality of phone operators, winning first place at the local event two years in a row (Domestic) Related certifications in the Customer Service Division (meeting needs, understanding customers, related knowledge, etc.): 2020: 58 Enhanced framework for cooperation between product divisions, R&D divisions, sales divisions, plants and other sites based on customer feedback ("VOC") Participation in e-learning about information security (Domestic): Content planned for 2020 was implemented in 2021 Reference: 2019: 100%
	Organizational Governance 	11 Promoting Risk Management 12 Embedding Compliance 5 10 16 13 Enhancing Group Governance 16	Enhance the risk management system for the entire Group. Enhance the effectiveness of compliance activities across the entire Group. Engage in enhancing governance for the entire Group.	Promotion of comprehensive and extensive risk management across the entire Group Construction of a compliance management system 1) Expand familiarity with the Lion Group Charter for Corporate Behavior and the Behavioral Guidelines (Global) 2) 100% participation in compliance-related training (Domestic)	Improvement of the Group governance system in accordance with the Basic Policy for Corporate Governance						<ul style="list-style-type: none"> Continued the promotion of comprehensive and extensive risk management across the entire Group Reported on risk management progress to the Executive Committee and regular meetings of the Board of Directors (once per year) Conducted educational activities about compliance-related topics, including the LION Human Rights Policy, the LION Anti-Bribery Principles and Guidelines, and the AL Heart Hotline (Domestic) Held briefings about compliance-related topics, including the LION Human Rights Policy, the LION Anti-Bribery Principles and Guidelines, and the AL Heart Hotline (Overseas) Prepared to implement an overseas version of the Compliance Awareness Survey to gauge awareness of the Lion Group Charter for Corporate Behavior and the Behavioral Guidelines (Overseas) * In English, Chinese (simplified and traditional) and Korean Participation in e-learning on compliance (Domestic): 81% *System changed in 2020 Reference: 2018: 100%; 2019: 100% Compliance Awareness Survey response rate (Domestic): 91.8% Reference: 2018: 95.0%; 2019: 92.8% 				
						Reinforced governance in accordance with the Basic Policy for Corporate Governance	<ul style="list-style-type: none"> Implemented Gift and Hospitality Standards based on the results of a fact-finding survey about gifts and hospitality (Domestic) Explained the outline of the LION Anti-Bribery Guidelines (Overseas) 								

*1 Held as the Environmental Conservation Committee until 2018
*2 Highly concentrated work styles aimed at improving productivity